

E-002/GR-87-670NOTICE AND ORDER FOR HEARING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Application of Northern
States Power Company for Authority to
Increase its Rates for Electric Service in
Minnesota

ISSUE DATE: July 31, 1989

DOCKET NO. E-002/GR-87-670

NOTICE AND ORDER FOR HEARING

PROCEDURAL HISTORY

On November 2, 1987 Northern States Power Company (NSP or the Company) filed a petition requesting Commission authorization of a general rate increase. On December 4, 1989 the Commission accepted the filing, suspended the proposed rate increase, and ordered contested case proceedings under Minn. Stat. § 216B.16, subd. 2 (1988). The Office of Administrative Hearings assigned Administrative Law Judge Richard C. Luis to the case.

The Administrative Law Judge held public hearings and evidentiary hearings in the case. On or about March 31, 1988, prior to the commencement of evidentiary hearings, five parties submitted a stipulation reflecting agreement on all but two of the financial issues in the case. The stipulating parties were the Company, the Department of Public Service (the Department), the Residential Utilities Division of the Office of the Attorney General (RUD-OAG), the Minnesota Public Interest Research Group, and the Metropolitan Senior Federation.

The Commission issued its FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER in the case on August 23, 1988. The Commission accepted the parties' stipulated position on some issues and rejected it on others. The Commission rejected the stipulated position on the expected costs of decommissioning the Company's Monticello and Prairie Island nuclear plants, choosing instead to continue to use the cost estimates adopted in an earlier docket, In the Matter of the Petition of Northern States Power Company for Depreciation Certification for Expected Decommissioning Costs for the Monticello and Prairie Island Nuclear Steam Generating Facilities, Docket No. E-002/D-86-604.

The Commission rejected a request for reconsideration of its decision on nuclear decommissioning costs. The Department and the RUD-OAG sought judicial review. The Minnesota Court of Appeals found that it was improper for the Commission to decide to continue using the decommissioning costs adopted in the earlier docket without placing the study supporting those costs in the record and allowing all parties an opportunity to contest the study's adequacy. The Court of Appeals remanded the issue to the Commission for further proceedings.

REFERRAL FOR ADMINISTRATIVE HEARING

The Commission finds it is necessary to reconvene contested case proceedings in this case to comply with the order of the Court of Appeals. The only issue to be considered in the reconvened proceeding is what is the most reasonable estimate of the costs which will be incurred to decommission the Company's Monticello and Prairie Island nuclear facilities.

The Commission hereby notifies all parties of its intention to consider in this case the NSP decommissioning cost study relied upon in its decision in In the Matter of the Petition of Northern States Power Company for Depreciation Certification for Expected Decommissioning Costs for the Monticello and Prairie Island Nuclear Steam Generating Facilities, Docket No. E-002/D-86-604. That study will be entered into the record and may be fully contested by all parties.

The Commission realizes that the Company apparently withdrew its support of the study when it signed the stipulation adopting a lower estimate of decommissioning costs. Nevertheless, as the custodian of the study and the principal of the consultant who prepared it, the Company is in the best position to facilitate its admission to the record. The Commission will therefore require the Company to produce the study and to provide adequate foundation for its admission to the record. The purpose of this requirement is to ensure full due process in the parties' examination, and the Commission's consideration, of the study. The Company is not required to support the study in the reconvened proceeding.

The Commission has jurisdiction to hold this hearing under Minn. Stat. § 216B.16, subd. 2 (1988). The standard under which the Commission is to decide the case, just and reasonable rates, and the factors to be considered in determining just and reasonable rates, are set forth at Minn. Stat. § 216B.16, subds. 5 - 11.

Administrative Law Judge

Administrative Law Judge Richard C. Luis, who heard this case initially, will hear the remainder of the case. His address and telephone number are as follows: Office of Administrative Hearings, 5th Floor, Flour Exchange Building, 310 South 4th Avenue, Minneapolis, Minnesota 55415, (612) 341-7610.

Prehearing Conference

The Administrative Law Judge will hold a prehearing conference in this matter on Monday, August 21, 1989 at 9:30 a.m. in the Large Hearing Room in the offices of the Public Utilities Commission, 780 American Center Building, 150 East Kellogg Boulevard, St. Paul, Minnesota 55101.

Hearing Schedule

The time and place of the hearing will be determined after the prehearing conference.

Hearing Procedure

The hearing will be conducted in accordance with the contested case provisions of the Administrative Procedure Act, Minn. Stat. §§ 14.57-14.69; the rules of the Office of Administrative Hearings, Minn. Rules, parts 1400.5100 to 1400.8400; and, to the extent that they are not superceded, the Commission's Rules of Practice and Procedure, Minn. Rules, parts 7830.0100 to 7830.4400. These rules and statutes may be purchased from the Documents Section of the Department of Administration, 117 University Avenue, St. Paul, Minnesota 55155, (612) 297-3000.

Under these rules parties may be represented by counsel, may appear on their own behalf, or may be represented by another person of their choice, unless otherwise prohibited as the unauthorized practice of law. They have the right to present evidence, conduct cross-examination, and make written and oral argument. Under Minn. Rules, part 1400.7000, they may obtain subpoenas to compel the attendance of witnesses and the production of documents.

Any party intending to appear at the hearing must file a notice of appearance (Attachment A) with the Administrative Law Judge within 20 days of the date of this Notice and Order for Hearing. Failure to appear at the hearing may result in facts and issues being resolved against the party who fails to appear.

Parties should bring to the hearing all documents, records, and witnesses necessary to support their position. They should take note that any material introduced into evidence may become public data unless a party objects and requests relief under Minn. Stat. § 14.60, subd. 2 (1986).

Any questions regarding discovery under Minn. Rules, parts 1400.6700 to 1400.6800 or informal disposition under Minn. Rules, part 1400.5900 should be directed to Jon Kingstad, Special Assistant Attorney General, 780 American Center Building, St. Paul, Minnesota 55101, (612) 296-0413.

Notice of Application of Lobbying Provisions

The lobbyist registration and reporting requirements of the Ethics in Government Act, Minn. Stat. §§ 10A.01-10A.34, apply to individuals attempting to influence administrative action on rate setting, power plant and powerline siting, and certificate of need proceedings. Participants in this case may therefore be required to register with the Minnesota Ethical Practices Board and to comply with reporting requirements and other requirements imposed by that Board. The Commission encourages individuals involved in this case to contact the Ethical Practices Board for further information. The address and telephone number of the Board are as follows: Minnesota Ethical Practices Board, 625 North Robert Street, St. Paul, Minnesota 55101-2520, (612) 296-5148.

ORDER

1. A contested case hearing on the issue of the reasonable costs of decommissioning Northern States Power Company's Monticello and Prairie Island nuclear facilities shall be held, commencing with a prehearing conference at 9:30 a.m. on August 21, 1989. Hearing dates will be set by Order of the Administrative Law Judge.
2. The Commission will take official notice of the NSP decommissioning cost study relied upon in its decision in In the Matter of the Petition of Northern States Power Company for Depreciation Certification for Expected Decommissioning Costs for the Monticello and Prairie Island Nuclear Steam Generating Facilities, Docket No. E-002/D-86-604. That study will be entered into the record and may be fully contested by all parties.

3. Northern States Power Company shall produce the above-referenced study and shall provide adequate foundation for its admission to the record. The purpose of this requirement is to ensure full due process in the parties' examination, and the Commission's consideration, of the study. The Company is not required to support the study in this proceeding.
4. All parties shall furnish adequate responses within 10 days to all reasonable information requests from other parties.
5. The Commission requests that the parties keep the Commission informed of the status of any settlement negotiations.
6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)

ATTACHMENT A

BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

400 Summit Bank Building
310 South Fourth Avenue
Minneapolis, Minnesota 55415

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

780 American Center Building
160 East Kellogg Boulevard
St. Paul, Minnesota 55101

In the Matter the Application of Northern
States Power Company for Authority to
Increase its Rates for Electric Service in
Minnesota

MPUC Docket No. E-002/GR-87-670

OAH Docket No.

NOTICE OF APPEARANCE

Date of Hearing:

Name and Telephone Number of Administrative Law Judge:

Richard C. Luis
Office of Administrative Hearings
5th Floor, Flour Exchange Building
310 South 4th Avenue
Minneapolis, Minnesota 55415
(612) 341-7610

TO THE ADMINISTRATIVE LAW JUDGE:

You are advised that the party named below will appear at the above hearing.

NAME OF PARTY:

ADDRESS:

TELEPHONE NUMBER:

PARTY'S ATTORNEY OR OTHER REPRESENTATIVE:

OFFICE ADDRESS:

TELEPHONE NUMBER:

SIGNATURE OF PARTY OR ATTORNEY: _____

DATE: _____